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Financial advisors favor Trump, doubt his 2024 election prospects
By Frank Gargano
October 29, 2024 6:00 AM

Enjoy complimentary access to top ideas and insights — selected by our editors. Wealth management professionals are counting down the days until the Presidential election, and according to Financial Planning's Fall 2024 Election Survey, most hoping for a Republican victory aren't confident it will come to pass.

According to the poll of 213 advisors and other wealth management experts, 54% feel that former President Donald Trump winning a second term in the White House would be better for the industry than the 38% supporting Vice President Kamala Harris' bid for the presidency. Only 39% feel that Trump will win, compared to the 61% that say Harris is the likely victor.

Respondents showed higher confidence in Republican wins when it comes to the Senate and the House of Representatives, with 62% and 51% respectively predicting a majority in each legislative body.

"There are some real differences between regulation, tariffs and fiscal policy, but with the most likely outcome being a split government, the chances of large change is pretty low," Grant Bowers, senior vice president, portfolio manager and research analyst at Franklin Equity Group, said in an interview with FP's Rob Burgess.

In addition to election results, advisors were asked, respective to their organizations, to weigh in on the policy areas that were most important for Congress and the next administration to address.

The economy took the top spot among roughly 58% of respondents, followed closely by the national debt and tax reform with 57% and 48%, respectively.

Bruce Heiman, a partner in the K&L public policy practice, said in an interview with FP's Tobias Salinger that "a lot of the deficit concerns are sound and fury signifying not a whole lot."

"I think serious action to reduce the deficit, serious action to reduce the overall debt, is going to be triggered by a crisis of some kind in some markets, rather than just the Tax Cuts and Jobs Act," Heiman said.

Below are the latest insights from wealth management experts on the upcoming election and what the tax landscape could look like once the results are in.

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Financial advisors say a Republican administration is good for business
Election Day is fast approaching, and data from FP's Fall 2024 Election Survey shows the majority of advisors favoring a Republican victory across the board.

The poll, which surveyed 213 industry experts, asked respondents which outcome in the presidential race would be best for the country all around. Roughly 54% selected former President Donald Trump against the 38% that selected current Vice President Kamala Harris.

The percentages were quite similar to those for other races like that of the U.S. Senate, at 58% for a Republican majority compared to 32% for a Democratic one, and for the U.S. House of Representatives, in which 52% of advisors sought Republicans to retain control in opposition of the 34% angling for a Democratic majority.

Read more: Here are the election outcomes financial advisors are hoping for

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Solving the challenge of the Social Security shortfall
Younger generations aren't confident that Social Security will still be around by the time they reach retirement age, turning instead to 401(k) accounts. Advisors are split on what the best course of action is for prolonging the program.

Findings from FP's Fall 2024 Election Survey showed that 34% of respondents proposed raising taxes on higher-earning workers as the most important action for the next White House and Congress to take. The next most popular option was to raise the full retirement age to reduce the benefit draw, at 25% of those that weighed in.

"I think we do not have to worry about Social Security benefits still being there and available in the future," Stephen Goss, chief actuary of the Social Security Administration, said in an interview with FP's Rob Burgess. "But the promises for the absolute nature, size and timing of benefits are flexible in the future."

Read more: How financial advisors want the Social Security shortfall handled

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Planning ahead for Nov. 5
Wealth management experts aren't waiting until after Election Day to start adjusting their advisement strategies.

Ian Boccaccio, principal and practice leader of the income tax practice at global tax firm Ryan, said in an interview with Accounting Today's Roger Russell that the contrast between Harris and Trump is evident in how each plans to adjust "U.S. taxes on U.S. activity" through proposals related to the Tax Cuts and Jobs

act, he said.

"It was 35% before the Tax Cuts and Jobs Act dropped it to 21% [and] Harris wants it to go to 28%, whereas Trump would peg it at between 15% and 20%, depending on the speech," Boccaccio said.

As such, he highlighted how some are recommending to clients that they review current and proposed policy changes to hedge against various market changes.

Read more: Key business tax moves to consider, whoever wins on Nov. 5

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What policy changes are advisors hoping to see after Election Day?
Advisors and other industry professionals are hoping that the federal government cuts down on spending to balance its budget, but they aren't completely opposed to the prospect of higher taxes either.

That's according to the 213 experts polled by FP's Fall 2024 Election Survey, where 56% felt that the government needs to curb its spending to lower debt and deficits. Roughly one-third of respondents felt cost cutting, alongside tax hikes, was the best strategy.

"One of the big unknowns here is the extent to which increased concern about deficits on each side is going to play into this debate, because, as we all know, there's lots more on the deficit-increasing side of the table that people are comfortable with than on the deficit-reducing side of the table," Mike Evans, a partner in the K&L Washington office's public policy and law practice, said in an interview with FP's Tobias Salinger.

Read more: The policy changes financial advisors want to see after Election Day

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Legislative experts highlight recent Congress efforts to predict tax policy futures
Speaking during a September panel hosted by law firm K&L Gates' Public Policy and Law practice, experts weighed in on the utility of the Senate's complex "budget reconciliation" procedure, which allows a bill to navigate around the traditional 60-vote supermajority required for passage.

This lever has the potential to introduce changes in estate taxes, federal income brackets and other policy areas.

"Once there's a tax title moving, then everybody wants to throw their thing at the wall and see if it sticks," said Mary Burke Baker, a government affairs advisor who is the leader of the tax policy practice in the firm's Washington D.C. office. "And, as we also all know, for better or worse, the tax code is seen as the solution

by both parties for everything — whether it's U.S. competitiveness, jobs, supply chain or social policies. So that's going to put a lot of pressure on tax legislation next year."

Read more: How the election — and Senate procedure — will decide tax policies